IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE

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HONEYWELL INTERNATIONAL INC. a HONEYWELL INTELLECTUAL PROPERTIES INC.,)
Plaintiffs,))
v.) C.A. No. 04-1338-KAJ
APPLE COMPUTER, INC; et al.,)
Defendants.))

DECLARATION OF JACK YANG

I, Jack Yang, declare that I am over the age of twenty-one years that I have personal knowledge of, or will be designated to testify on behalf of InnoLux Display Corporation ("IDC") under Fed. R. Civ. Proc. 30(b)(6) regarding, and that if called by this Honorable Court I could competently testify to, the following:

I. INTRODUCTION

1. It is my understanding that Honeywell International Inc. and Honeywell Intellectual Properties, Inc. have filed a lawsuit against IDC in the United States District Court for the District of Delaware. I have been asked by IDC's U.S. attorneys to provide to the Honorable Court information concerning IDC's organization and business activities.

II. QUALIFICATIONS

2. My present title at IDC is Associate Vice President. As a part of my duties and responsibilities at IDC, I have acquired personal knowledge of or have been informed of the following facts regarding IDC and its business activities.

IDC'S ORGANIZATION AND BUSINESS ACTIVITIES III.

- IDC is a corporation organized under the laws of Taiwan, with a principal place of business in Chu-nan, Taiwan.
- IDC began manufacturing and selling LCD panels and modules (collectively "IDC's 4. LCD products") in 2004.
- IDC manufactures IDC's LCD products in Taiwan or at a facility in Shenzhen, 5. Guangdong, China.
- IDC's LCD products are available in various sizes, including 1.4" (diagonal), 1.5", 1.8" 6. and 2.2" for small size applications, such as mobile phones, and 3 5", 5.6", 7", 8" and 10.2" for middle size applications, such as portable Audio Visual ("AV") devices.
- IDC sells LCD products for small size applications only in Asia to customers including 7. Nokia.
- IDC understands that Nokia's devices containing IDC's LCD products for small size 8. applications are designed for and sold in the Asian market only. This understanding is based on the characteristics of the particular LCD products used in these devices. That is, the IDC LCD products used in the Nokia devices are for black-and-white applications, which tend to be sold only in Asian countries such as India, IDC understands that devices with black-and-white applications are not made, used, sold or offered for sale by Nokia anywhere in the United States.
- IDC has no direct knowledge of and no control over where Nokia or any other customer 9. makes, uses or sells devices containing IDC's LCD products for small size applications.
- IDC sells LCD products for middle size applications only in Asia and only to companies 10. located in China, Taiwan, Hong Kong, Japan, South Korea and Malaysia.
- IDC understands that each of these companies acts as a distributor, i.e the company sells 11 IDC's LCD products to one or more other companies, and/or act as a manufacturer, ie. the company makes devices containing IDC's LCD products, either for direct sale or under an OEM (original equipment manufacturer) relationship.

- IDC has no direct knowledge of and no control over where these companies use or sell 12. IDC's LCD products for middle size applications or where these companies make, use or sell devices containing IDC's LCD products for middle size applications.
- IDC manufactures LCD monitors under an OEM relationship for customers including HP, 13. Dell, ViewSonic, Acer, LG, in China
- IDC has a subsidiary located in Austin, Texas (InnoLux Corporation; "IC") that receives 14. and processes orders for IDC's LCD monitors only, and provides testing services for the monitor customers
- IC employees 3 salesmen, 1 accountant and 2 engineers in Texas. No IC employee is 15. located in or travels to the state of Delaware in connection with their employment.
- IDC and IC do not have, and have never had, an office or any other facility in the state of 16 Delaware.
- IDC and IC are not licensed, and have never been licensed, to do business in the state of 17. Delaware.
- IDC and IC do not direct, and have never directed, any sales or marketing activity to any 18. resident of the state of Delaware.
- IDC and IC do not direct, and have never directed, any commerce into the state of Delaware.
- IDC and IC do not sell or market, and have never sold or marketed, any products in the 20. state of Delaware or to any resident of the state of Delaware
- IDC and IC have made no plans to sell or market any products in the future in the state of 21. Delaware or to any resident of the state of Delaware
- IDC and IC do not send and have never sent any promotional letter or other 22.. advertisements to any resident of the state of Delaware.
- IDC and IC do not solicit, and have never solicited, any purchase orders for any products 23. from any resident of the state of Delaware.

- IDC and IC have not received, and have never received, any purchase orders for any 24. products from any resident of the state of Delaware.
- IDC's website (www.innolux.com.tw) is offered in Mandarin Chinese only; there is no 25. English language version of any of the information, except for the information concerning "Recycling information for customers" (which directs customers to product disposal locations in Singapore, Germany, the Netherlands and the Czech Republic) and "RoHS declaration" (information about component(s) of IDC's products that is required by the Restriction of Hazardous Substances directive issued by the European Union (EU Directive 2002/95/EC)).
 - No one can place orders for IDC products using IDC's website. 26.
 - IC does not have a separate website. 27.
- IDC and IC have no sales representative or agent who resides in the state of Delaware, or 28 who travels to the state of Delaware to sell any IDC product.
- IDC and IC have no distributor or retailer in the state of Delaware for any products. IDC 29 and IC have no past or on-going relationships with any distributor or retailer in the state of Delaware.
 - IDC and IC derive no revenue from any sale of any product in the state of Delaware 30.
- IDC derives all of its revenue from the direct sale of IDC's LCD products and monitors 31. containing them to its customers. IDC does not receive any revenue, such as royalty or commission, from any further sale or use of IDC's LCD products or monitors containing them by any of its customers in any location.
- IDC's revenue is independent of what their respective customers may subsequently do 32. with IDC's LCD products, including whether or not that customer is even able to sell or use IDC's LCD products or devices containing them, or where those products or devices may eventually be offered for sale or used. IDC's revenue arises solely from IDC's direct sales of IDC's LCD products in Asia; IDC receives no revenue from any subsequent sale or use of an IDC LCD product by anyone anywhere.
- IDC has no established channels of distribution by which IDC's LCD products could have 33 been foreseen to reach the state of Delaware. Rather, once IDC has sold the LCD product to its customer

in Asia, IDC no longer has any knowledge of or control over what that customer does with the LCD product or where it may do so. IDC's established distribution channel, if one exists, is therefore composed only of IDC and its immediate, direct customers because IDC has no knowledge of or control over any subsequent activity involving an IDC LCD product.

IV. COMPENSATION

34. I am not being compensated for my work in this matter in excess of my normal and usual compensation from IDC. My compensation is unrelated to the outcome of this matter.

V. UNDERTAKING

35. I further declare that all statement made herein of my own knowledge are true and that all statements made on information and belief are believed to be true, and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under §1001 of Title 18 of the United States Code.

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